

Good morning. My name is Marie Lenane. I am the Policy Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 419.00: Rates for Supported Employment Services, which will amend rates purchased by the Department of Developmental Services (DDS), the Massachusetts Rehabilitation Commission (MRC), and by the Massachusetts Commission for the Blind (MCB).

Massachusetts General Laws, Chapter 118E, Section 13D requires the Secretary of the Executive Office of Health and Human Services to establish rates of payment by regulation for social service programs.

The effective date of the proposed amendments to the regulation is July 1, 2023.

The rates for all the supported employment services are being updated to include an increase by a cost adjustment factor (CAF) of 2.78%, effective July 1, 2023. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2022 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (calendar year 2023 Q2) and the prospective period of fiscal years 2024 and 2025. In addition to the FY24 CAF, the rates for all services have been updated to include all staff salaries. It is the Purchase of Service (Chapter 257) policy to utilize salary data from the most recent version of the Massachusetts Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS) available at the time of the rate review. As such, the benchmarks are derived from the Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2021 at the 53rd percentile. The programmatic expenses are benchmarked to the FY19 Uniform Financial Statements and Independent Auditor's Report (UFR) and incorporate the most recent review's cost adjustment factor. Additional training funds of \$187 per direct service FTE were added into the rates based on the purchasers' recommendation. The administrative allocation has been benchmarked to 12% and the tax and fringe rate has been benchmarked to 25.39%. This benchmark is derived from the MA Comptroller's FY23 approved rate less terminal leave and retirement. This benchmark includes an additional 2% to be used to promote workforce initiatives such as retirement benefits. Lastly, rate provision language has been incorporated

Staff Testimony on proposed amendments to 101 CMR 419.00

RATES FOR SUPPORTED EMPLOYMENT SERVICES

Effective July 1, 2023 Public Hearing: May 19, 2023

into this regulation to allow for administrative adjustments for extraordinary circumstances, which is consistent with other Chapter 257 rate regulations.

Please note that the funds for technology were inadvertently omitted from the rate models.

This will be updated during the post public hearing process and the rates will be adjusted accordingly. Using the unit of 15 minutes per client, the updated rates will be:

Individual Supported Employment \$16.37

On-going Supported Employment \$12.09

Group Supported Employment \$5.88

Group Supported Employment- Hi Intensity \$7.74

The updated model budgets can be found on the Proposed Regulations – Supporting Materials webpage. The total annualized cost to state government from the proposed amendments is approximately \$7 million, which represents an increase of 14.40% over FY23 projected spending of approximately \$48.4 million.

This concludes my testimony. Thank you.